

## **EXHIBIT E**

**DeFranco, Thomas**

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**From:** Engel, Jonathan  
**Sent:** Friday, September 15, 2023 9:08 PM  
**To:** Sari B. Placona  
**Cc:** Davis, Elizabeth  
**Subject:** Stripe

Sari,

This is in response to your request for an analysis of the chargeback period. Under its agreement with Traders Global Canada, Stripe has unilateral discretion to establish the terms of a Reserve. Generally, Stripe will maintain a Reserve until it determines that it would be able to recover anticipated chargeback amounts and related costs from the merchant. In the instant case, the merchant is no longer processing with Stripe, but the chargeback rate has escalated exponentially since the CFTC took action. Specifically, Traders Global Canada has conducted purchase transactions totaling over \$55 million since July 1, 2023. Since the CFTC publicized its action on September 1, 2023, Stripe has received chargebacks totaling more than \$2.1 million. Transactions in the last two months are likely to result in successful chargebacks because they would likely be timely and meritorious given that Traders Global, as we understand, is not providing services.

As you know, the Reserve associated with the Traders Global Canada account has a balance of approximately \$6.2 million. Needless to say, this amount would not nearly cover chargebacks that Stripe expects to see for purchase transactions in only the last two months. Stripe is unable to project with certainty the exact time period in which a transaction may be eligible to chargeback because chargeback rights and time limits vary by payment method and, in some cases, by issuing bank. Stripe does not have a say in what time limits apply to cardholders, but rather responds to chargebacks based on parameters communicated by the card networks. As a rough guide, Visa rules provide that a dispute (i.e., a chargeback) must be processed no later than 540 calendar days from the transaction processing date. See, e.g., [Visa Core Rules](#), 748. However, this deadline may be extended by agreement between the issuing bank and payment network.

With this context, Stripe's risk analysts established a Reserve expiration of October 2025, which they will continue to reevaluate based on account activity.

Please let us know if you have any questions.

Regards,

Jonathan



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